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WATER RESOURCE PROJECTS IN LOUISIANA

HEARING

BEFORE THE

SUBCOMMITTEE ON WATER RESOURCES

OF THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

ON

THE ATCHAFALAYA BASIN FLOODWAY SYSTEM AND THE MISSISSIPPI RIVER DEEP DRAFT SHIP CHANNEL

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WATER RESOURCE PROJECTS IN LOUISIANA

FRIDAY, AUGUST 12, 1983

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON WATER RESOURCES,
New Orleans, La.

The subcommittee met, pursuant to call, at 9:30 a.m., in room 9–10, Rivergate Building, New Orleans, La., Hon. James Abdnor (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. JAMES ABDNOR, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator ABDNOR. The Subcommittee on Water Resources will come to order.

I'm very. very pleased to be here conducting this hearing. I look forward to coming back to New Orleans every time. You people are such great hosts and so hospitable, we certainly appreciate it.

I have conducted hearings in Washington on the need for a new water resources development authorization bill. There has been no such legislation, I'm sure you're aware, for the past 7 years. I think the Nation's need for new port development, flood control, and water supply is not being met and we have to move ahead.

There's not a more appropriate place in the country for the Subcommittee on Water Resources to conduct hearings on the need for these things than right here in New Orleans where the benefits of flood control and navigation are clearly evident. The Subcommittee on Water Resources has begun the process of piecing together a new water resource map. Some of you may know this has been introduced as Senate bill 1739. You will be pleased to know it includes the authorization of the Atchafalaya project, which we are here today to learn more about.

The subcommittee is also developing a separate port development bill and I'm here today to review the New Orleans shipping channel project to be a part of that legislation. So as the subcommittee begins, it's most appropriate that we have as our first witness this morning Hon. Lindy Boggs, U.S. Congresswoman from your district. We have had the pleasure and opportunity of working with Lindy. I need not tell you that she's one of the real leaders in the House and has a great interest in this, as she has told me many times about the problems here.

We certainly welcome you to the committee, Congresswoman Boggs.

STATEMENT OF HON. LINDY BOGGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Congresswoman BOGGS. Thank you so much, Mr. Chairman. I was really reluctant to have you leave the House and go over to the other body, as we call it. It's very, very nice for us in the House who are interested in these projects to have you there, in the other body, and in such a prestigious position. I know that you understand the problems and the challenges of the types of projects that we are talking about. I'm especially pleased to welcome you to the Second Congressional District. It's so nice to have you here and we appreciate your presence and that of the committee staff members. We know that it's a busy, busy time for you and we really appreciate your coming to be with us.

I'm very enthusiastic about the projects that we are discussing and I would like to ask, Mr. Chairman, if my statement may be included in the record?

Senator ABDNOR. Your entire statement will be part of the record.

Congresswoman BOGGS. Perhaps my enthusiasm will overflow, no pun intended, but you can stop me when you wish. I'm very happy to be here to appear in support of two important projects that have been recommended for congressional approval by the Chief of the Corps of Engineers: the Atchafalaya basin floodway system enhancement and the Mississippi River deep-draft ship channel.

Mr. Chairman, you know that under the 1928 Food Control Act, the corps manages the Atchafalaya basin project to provide flood control to reduce hazards to navigation. The corps also controls sediment diversion and regulates the flow of water between the Mississippi River and the Atchafalaya River. The Atchafalaya basin is a complex, dynamic, and delicate ecosystem which demands thoughtful observation, planning, and management.

It also provides commercial and sports fishermen with a great variety of fish and wildlife, and is the home of many endangered species of wildlife. In order to safeguard the vast resources of the basin and to protect the people and the land surrounding the basin, the State of Louisiana and the Federal Government must combine resources to manage the basin wisely.

There's been a great deal of work done by the Agency Management Group under the leadership of Gen. Tom Sands and they came to us with a workable multipurpose plan for the whole basin. The key to it is an agreement developed by the State for the purchase of certain lands within the basin from private owners, and the State has agreed to pay half of the purchase price and I believe it is reasonable for the Federal Government to pay the other half.

Congressional approval obviously is essential in order for this agreement to be consumated.

As you know, the Governor has worked very hard on this project. The Governor before him worked very diligently on it as well and it is a project that has the support of the people of the State of Louisiana from every sector and I would urge its approval.

I might say, Mr. Chairman, that I was looking at a clipping about something entirely different in an old family Bible about a year or

so ago and I turned the clipping on the other side and there was a statement by a general in the Corps of Engineers on October 13, 1887, telling us what we should be doing about the diversion of the Mississippi River down to the Atchafalaya and what we should be doing about protecting that basin, so I think the time has come for us to act on it.

In his state of the Union address this year, the President called for action on port improvement projects in order to take advantage of some new world trade opportunities, and the corps' proposal to make the Mississippi River accessible for deep draft navigation is just the type of project that should receive congressional support.

Increasing the draft on the river for the Port of New Orleans area will provide direct benefits for the entire mid-America system. It will improve the port's ability to handle the larger, more efficient vessels that will carry our grain, coal, and other commodities to markets around the world, and, according to the corps' report, this project will have a very favorable benefit-to-cost ratio, one that more than justifies our investments in these improvements.

I'm very encouraged, as you have just said, that the House Committee on Public Works and Transportation finally reported a bill just a week ago that includes the necessary authorization for both of these projects. This bill, which is called the Water Resources, Conservation, Development, and Infrastructure Improvement and Rehabilitation Act—H.R. 3678—was the result of considerable efforts, and I'm sure you have been aware of them, by the members of the House committee and its staff, and I'm in hopes that it will receive further consideration by the House in the near future.

As all of you know, Congress and the administration are attempting to formulate a rational and equitable approach to dealing with the urgent water development needs of the country. It has been a number of years since Congress last approved legislation, as you have said, Mr. Chairman, to authorize projects to deal with flood control, inland waterways, or port improvement.

Trying to develop cost sharing criteria has been a real stumbling block in the last couple of years, and the approaches are complex and are somewhat less than popular. Your subcommittee, as well as your House counterpart, must deal with these proposals for innovative financing which would require upfront financing and cost sharing from the non-Federal sponsors where none existed ever before.

If it were possible, I would prefer to see the traditional method for Federal financing of these projects continue. But I don't think Secretary Gianelli is going to remove his adamancy about this and so there will be no new starts for water resource projects without some form of cost sharing.

If, in fact, cost sharing is the quid pro quo for future port and navigation development, then I would recommend to the subcommittee an approach contained in the bill that I have cosponsored with Representative Matsui and others. Senators Hatfield and Warner have introduced legislation similar to this bill, which is H.R. 2406.

It provides for a uniform ad valorem fee that is intended to raise 40 percent of total operation and maintenance costs. A portion of the

ad valorem fee would be used toward funding of the local share of new construction for those ports paying a fee that exceeds their operating and maintenance costs. It would dedicate 2 percent of Customs Revenues to cover the Federal share of the new construction, with the non-Federal share based on a sliding scale according to a depth of from 24 feet down to 50 feet and over.

Mr. Chairman, I serve on the Subcommittee on Energy and Water Development Appropriations which funds these water resource projects, and the members of my subcommittee are aware of the urgency that you place on the need for some new construction projects and for the repair and rehabilitation of the existing projects. We fully intend to recommend funding for new construction in the coming fiscal year, and we hope to have a meeting on September 13, when we return to the Congress after the recess.

The authorizing committee in the House has acted on H.R. 3678, and I expect that funding for projects such as the Atchafalaya basin plan and the Mississippi River deep-draft plan will receive priority consideration when Congress returns. Because I consider both of these projects to be of the highest importance, I am going to do all I can to insure that the corps maximum capabilities for both of them are funded in 1984.

Mr. Chairman, I would be happy to try to answer any questions you may have and also to invite you all back next year to the World's Fair, which will be right over to our right out here, and to be able to see some of the work that your committee has been so gracious in helping us to accomplish through the years.

Senator ABDNOR. Thank you very, very much. I've had a little glimpse of what's to come with your World's Fair and it's enough to whet our appetite. We won't use the port as an excuse for coming back for the fair, but I assure you that our interest is genuine both in seeing your fair and our wanting to see some progress made with the projects you've described. They are important not only to New Orleans and Louisiana, but to the whole Nation.

Congresswoman BOGGS. That's right.

Senator ABDNOR. It's been far too long and we know that Chairman Roe and his committee worked hard and long on a very lengthy bill. I saw a copy of that. A couple of hundred pages at least.

Congresswoman BOGGS. Just reading the section-by-section analysis takes a long time.

Senator ABDNOR. Will your bill be coming up on the House floor soon after the recess?

Congresswoman BOGGS. It is our understanding, Mr. Chairman, that we would have an early calendar date as soon as we return, and that's by our own subcommittee.

We, on the appropriations side, have passed out a bill reserving the new starts that may be included in the omnibus bill that would come out of the authorizing committee, so we are prepared to go into session the day after we return. We've asked the committee staff to work on a markup of the bill for us.

Senator ABDNOR. What would this be, a supplemental?

Congresswoman BOGGS. We reserved the new starts from the appropriation bill and with the understanding that as soon as the author-

izing committee acted, we would go back into session to appropriate the funds that we consider correct for the new starts.

Senator ABDNOR. We have, as you know, a similar bill. It won't be the first time that the House and the Senate started out on diversions, but as before, they are compromising and seem to come up with the necessary legislation. You're a little ahead of us on that. As I told you, we do have a bill in, but it does not include ports. We're making that separate. Your version of the money out of the Customs fund, that's going to be interesting to see.

Congresswoman BOGGS. Well, that's sort of a compromise.

Senator ABDNOR. We've got to compromise in the administration, too.

Congresswoman BOGGS. That's right.

Senator ABDNOR. We'll see how it works, because the key to everything is the dollar. I wish we were back in the good old days where you could go ahead and appropriate and authorize all in the same breath without the worry of the dollar, but somehow I think we all realize the importance of it and will have the ability to work something out here to the benefit of you folks and also the Nation.

We had a hearing on the Atchafalaya. Governor Treen testified and gave us a pretty good explanation of what you hope to do. We know about all the history behind it and the years of work by other Governors, too. I had a chance to see it as we flew over yesterday and I understand we're going to see more. It's good to see firsthand what you're discussing back in Washington. You're not quite as good a salesman for a program as you are once you've been out here to take a look at it.

Congresswoman BOGGS. That's why we're so grateful for you being here, Mr. Chairman.

Senator ABDNOR. I thank you. I always enjoy being here. We appreciate your testimony and we look forward to seeing what happens down the road.

Congresswoman BOGGS. I would like you to know our Subcommittee on Appropriations has already approved both of these projects.

Senator ABDNOR. Is that right?

Congresswoman BOGGS. Yes; both of these. They are ready to go as soon as we make some decisions on it.

Senator ABDNOR. You're definitely a mover and a shaker, and I guess that proves it. Thank you.

Congresswoman BOGGS. Thank you.

Senator ABDNOR. You're way ahead of everyone else.

Congresswoman BOGGS. Thank you so much, Mr. Chairman.

Senator ABDNOR. Thank you, Congresswoman Boggs.

Our next witness is an old friend of mine, Col. Herb Haar and Mr. Hingle, chairman of the Governor's Task Force on Deep-Draft. Gentlemen, Governor Treen was delayed, that's why you're next.

Colonel HAAR. Mr. Chairman, we welcome the opportunity to be able to testify today.

Senator ABDNOR. Joe, is Mr. Hingle going to be able to be here?

Colonel HAAR. In the event Mr. Hingle doesn't arrive, I think Mr. Cocchiara may be prepared to go ahead in his place. If that's agreeable with you.

Senator ABDNOR. Fine, go right ahead.

STATEMENT OF HERBERT R. HAAR, JR., ASSISTANT EXECUTIVE PORT DIRECTOR, PORT OF NEW ORLEANS

Colonel HAAR. Thank you, sir.

Mr. Chairman, I am Herbert R. Haar, Jr., assistant executive port director of the Port of New Orleans. The principal functions for which I am responsible are those pertaining to planning and port development and those pertaining to engineering and maintenance for the Port of New Orleans.

On behalf of the board of commissioners of the Port of New Orleans, I wish to thank you for the opportunity to appear before this subcommittee and to share with you some of our thoughts on water resources issues that are of vital interest to us both.

In the last 234 miles of the Mississippi River there is located a vast regional oceangoing port complex that services the tremendous Mississippi River and navigable tributaries shallow-draft transportation system. It is in this area where the barge and oceangoing vessels come together to transform goods and services into export and import trade.

We at the Port of New Orleans are highly dependent upon the inland barge industry that services the port as is that industry dependent upon the port to provide the indispensable linkage to foreign markets.

In a given year, over 109,000 barges pass through the port moving raw materials and manufactured products to and from national and international marketplaces. This commercial movement is vital to the well-being of the Nation. The value of our Nation's exports alone accounts for 17 to 20 percent of the Nation's total gross national product [GNP].

Our inland waterway commercial traffic on the main channels and all tributaries of the Mississippi, Illinois, Missouri, and Ohio Rivers is approximately 363 million tons annually. This magnificent 14,500-mile inland waterways system services the foreign trade and domestic commerce of the mid-America hinterland, which accounts for 51 percent of the population; 49 percent of the purchasing power; 53 percent of the value-added manufacturing; and 50 percent of the employment of the United States.

It is no wonder that there has developed in the lower Mississippi River region a vast, deep-draft port complex stretching from Baton Rouge to New Orleans and on to the gulf, a 234-mile-long port complex that, in 1981, handled 380 million tons of the waterborne cargo, foreign and domestic, excluding shallow-draft, through-traffic cargo. To give you some ideas of tonnages being moved in the lower Mississippi River region, I would like to mention that the biggest port in the world, Rotterdam, handled in the most recent year about 280 million tons. In other words, on this lower Mississippi River, Baton Rouge to the gulf, we're moving 100 million tons more than Rotterdam.

Oceangoing commerce on the Mississippi River has grown from 84 million tons in 1970 to about 223 million tons in 1981, with the U.S. Army Corps of Engineers estimating that this figure will reach about 425 million tons by the year 2040.

The Port of New Orleans, itself, has become the No. 1 port in the United States in total waterborne commerce, foreign and domestic, deep and shallow draft, ocean and coastwise commercial tonnage at 189

million tons in 1981; and according to the Department of Commerce, the port retained its position as one of the Nation's major ports in foreign waterborne commerce with 47.2 million tons in 1982.

Perhaps we can look briefly at two of the major commodities that arrive at our dockside, principally by barges. These two are grain and coal. During the last decade, world grain trade rose from 108 million metric tons to 199 million metric tons. The U.S. share of this trade was 137.1 million tons in 1982, with 64.5 million tons, or approximately 49 percent of the Nation's grain export, being handled by the 11 modern export grain elevators located between Baton Rouge and the Gulf of Mexico.

Conservative projections by the grain exporters suggest that by the year 2000 this grain movement from the lower Mississippi Valley region alone will represent 90 million tons annually.

The nationwide 39 billion dollars worth of agricultural commodities and products exported during the fiscal year ending September 30, 1982, is a tribute to the energy, sales ability, and traditional trading spirit of the American agricultural community.

Exports provide markets for 60 percent of our annual wheat crop; half of the rice and soybeans; and more than one-third of the cotton and corn we produce.

About one-fifth of 1982's farm cash receipts resulted from agricultural exports. Production from nearly 1 out of every 3 harvested acres is sold abroad, and that impact is tremendous. For example, every additional billion dollars realized from an export sale generates 50,000 additional jobs here at home.

Clearly our economy has benefited in terms of the foreign exchange earnings and the creation of jobs. In fiscal year 1982, the dollar value of agricultural exports amounted approximately to 33 percent of this country's exports. Further, agricultural commerce had a favorable balance of trade of $21 billion, whereas the country had a deficit balance of $35 billion in total trade. We, the port and barge industry, as well as the American agricultural export enterprise, can look forward to continuing opportunities for expanding world trade and bringing impressive, increased benefits to the Nation as a whole.

With regard to the world coal trade, the United States has continued its major share of that market. In 1977 the United States exported 54 million tons of coal, nearly all of which was metallurgical coal. In 1980, U.S. steam coal exports rose to 27 million tons in response to the worldwide surge in steam coal demand. In 1982, U.S. steam coal exports increased to 41 million tons.

It is estimated that the United States is providing about 36 percent of the worldwide waterborne coal shipments. In fact, the coal alone now accounts for approximately 10 percent of all tonnage passing through U.S. seaports. From this perspective, it can easily be seen why coal is becoming one of the driving forces behind port expansion and port development in this country.

Prior to 1980, most of the coal exported from the lower Mississippi River was metallurgical coal. Annual volumes never exceeded 2 million tons. In 1980, exports from the Mississippi River grew to 4 million tons, about half of which was steam coal. In 1981, the Mississippi River coal exports reached 13.9 million tons.

Despite a slight decline in U.S. coal exports in 1982 due to world market conditions, all recent coal export projections continued to indicate that this growth will continue for the long term along an ascending curve. However, the coal export market has changed dramatically in the last few years, and while the United States is still the largest exporter, we have a number of competitors who are developing their coal reserves for the export market only. Australia and South Africa have come into the market in these last few years and have no place other than the export market to go with their coal. Poland and Great Britain are also viable competitors now in the world market, as is Canada. China and Colombia will also be competitors in the export market in the not too distant future.

We feel that there are benefits to the United States to be derived from an expanded international trade in coal and agribusiness. We also view the Mississippi River as the jugular vein of this international trade.

The inland waterway's linkage supports a seaport industry, nationwide, that has tremendous impact on our national economy. This industry produces more that 1 million jobs, $66 billion in gross sales within the Nation, $23 billion in personal income, $7.9 billion in business income, $5 million in State and local taxes, $10 billion in Federal tax and Customs' revenues.

These contributions and others to be mentioned have certainly philosophically influenced the port's position on the imposition of any user charges or of cost-sharing schemes being imposed on the inland waterways system and its terminus deep-draft ports system. We look at such schemes as breaking the longstanding trust between the Federal Government and the people, all of whom in one way or another share in the national benefits derived from our navigable waterways.

This trust resulted in private development—private investment—in and along our waterways. These industrial developments and plant improvements have had far greater beneficial returns in jobs, tax revenues, international commerce, and gross national product [GNP] than the mere Federal expenditures outlay that provided the initially barren channel highways. One must remember, a channel in itself does not a port make. We already have cost sharing when we tally up those costs even now required of the local participating sponsors, followed by private investors. These, to name a few, are funds for easements, disposal areas, rights-of-way, roads, utilities, dikes, and landside facilities—all required to make the project an operating facility—and so on and on goes the list.

We are truly concerned with the fact that no comprehensive study has been made of the impact of cumulative user charges on our U.S. grain exports. We do understand that the Economic Development Administration of the Department of Commerce has contracted for a $166,000 impact study addressing recovery of operation and maintenance costs through imposition of user fees. The American Association of Port Authorities has learned that the study, originally expected to be released in March, shows significant adverse effects on commodities and regions based on user fee levels from 17 cents to $1 per ton. The $1 per ton level could well reflect the cumulative impact of various user charges that could be levied on commodities transported on both

shallow-draft and deep-draft vessels transiting or otherwise utilizing our Nation's navigation channels. The results of the study was reported by some personnel as being suppressed, and our American Association of Port Authority has been unable to obtain any information whatsoever.

Now, Mr. Chairman, I want to digress from my prepared statement here and say I just learned this morning from my corps representative, a knowledgeable corps representative here, that this study does have some technical problems in it and it is being worked on by people at the Department of Commerce and the corps and the study has not been suppressed actually, but it's been withheld until these technical differences can be worked out staffwise, but I still, as a bottom line, sir, would recommend that your staff, as soon as that study is complete, obtain a copy to look at it in terms of what these impacts would be. So my statement as prepared does stand corrected in that sense.

But I would like to point out to this date, the Federal navigation function has worked well in fueling private and public investment, increasing national revenues, aiding international as well as domestic commerce, and providing nationwide benefits such that there is a most effective and convincing argument for continuing the Federal shallow-draft navigation program through the general fund and the deep-draft port improvements and maintenance through apportioning of Customs revenues.

We can ill-afford policy changes such as additional cost-sharing and user charges, that will more than likely impact on the ultimate cost and, hence, the competitiveness of our marketable goods.

The United States, a nation with over 240 million people, has the same share, 14 percent, of the world trade markets as West Germany, a nation with only a 64 million population. Obviously, we must become more competitive and not less competitive in the world markets.

I feel that the only conclusion we can make, after thoroughly reviewing the potential impact of user charges on our national economy and balance of payments, will be that the United States can ill-afford to initiate a user charge program with rates so high that the U.S. competitive position in world markets will be severely jeopardized.

Again digressing for a moment, Mr. Chairman, I think that most of the ports would accept what they consider to be a reasonable level of user charges. I think it's just a question of getting together on what is reasonable and reaching a compromise consensus view on that, and the ports' position is not I think that they will not pay or are trying to stonewall per se, but are trying to perceive these effects I mentioned previously of potential impacts on U.S. competitiveness and naturally our own business in world trade.

I would like to bring to your attention a copy of a letter I have recently received from the commission for economic development of the State of Illinois which transmits to me a copy of the concurrent resolution that their legislature will pass in an upcoming session later this year. It is expected to pass unanimously, putting that body on record against waterway user charges inasmuch as such charges are not in the best interest of that State's economy.

In conclusion, I think the Port of New Orleans feels that Mr. Roe's proposed user charge formula as outlined in his bill, H.R. 3678, is an appropriate piece of legislation that will receive the full support of the American port industry. For projects over 45 feet, we would hope that Mr. Roe's proposal of 50–50 cost sharing on both the differential maintenance and the new construction costs would be a maximum proposal and would, hopefully, be even less in any final legislation that might be passed.

We, the Port of New Orleans, generally prefer a tonnage tax imposed on beneficiaries only, rather than an ad valorem tax. With such taxes being imposed, there should be no additional inland waterways user charges of any kind enacted by Congress.

We would also hope that any new user charge legislation would provide full Federal funding for the construction of the project with a pay back of any local cost sharing portion of that funding over an appropriate number of years in order that local assurers could use revenues from user charges to amortize these costs as revenues are generated. We would also hope that consideration would be given to allowing local asurers of projects, under cost sharing, the option of constructing the project themselves, under Corps of Engineers monitorship, in order that the projects could be accomplished in a more timely fashion.

Mr. Chairman, this concludes my statement, and I thank you. If you have any questions, I'll be happy to attempt to answer them.

Senator ABDNOR. Colonel Haar, I want to commend you on your very detailed and factual statement. We are aware of the importance your port plays, not only in our national economy, but the world as well, and certainly you have done a fine job of substantiating that fact with the figures that you have presented. We are pleased to see that you, too, recognize the fact that there's got to be some kind of a mix here as we build these ports. It isn't easy when you've got a $180 million deficit staring you in the face to reach in and grab some more money out, particularly when all the economists are saying that this is the cause of the escalating interest rates; spending all that money with little new money coming in.

So at the same time we know that we've got to move ahead, and whatever mix we end up with, we hope it's going to have the least adverse effect on our trade. We are aware of the fact that we start at a great disadvantage with our higher dollar value than other countries, and that alone is probably a bigger charge factor against trade that anything we have had to deal with. I guess we start off with about a 20-percent disadvantage. But at the same time something will have to be done.

You did say you favor, if you had to have a tax, you would prefer a tonnage tax over the ad valorem tax?

Colonel HAAR. Yes, sir. That's the position of our port director, and I think Mr. Reed, our port director, developed that position in his own mind primarily from the original version of the Hatfield bill, which provided for State collection. I understand that has been changed by a later draft of that bill. But I think Mr. Reed was concerned that there could be problems under international law and also problems you might say politically, not only in this State, but in any State, on how those

moneys might be utilized, and so forth. He had a concern on practical considerations, but I think the adoption of his position was based in large part on this consideration. Plus, I think he felt that the administration of an ad valorem tax could be more complicated than a tonnage tax. I think they are really his reasons for his position that we have there, sir.

Senator ABDNOR. We have had both versions introduced into the Senate. But again, it's something we've got to give careful thought to and try to come up with the answer that's going to be best for this country. It's something that we're going to be dealing with in the very near future.

To what depth are you going to develop your port, 50, 55?

Colonel HAAR. Sir, if I may, I would rather defer to Mr. Cocchiara, because he's speaking for the Governor and the whole stretch of the river, and I'm only speaking for New Orleans.

Senator ABDNOR. I realize wer'e waiting for Mr. Hingle, so I'll leave it up to you.

Mr. COCCHIARA. I'll be happy to present his report.

Senator ABDNOR. Fine. Go ahead.

STATEMENT OF JOSEPH G. COCCHIARA, EXECUTIVE DIRECTOR, GOVERNOR'S TASK FORCE ON DEEP-DRAFT VESSEL ACCESS TO THE LOWER MISSISSIPPI RIVER

Mr. COCCHIARA. Mr. Chairman, my name is Joseph Cocchiara. I'm executive director of the Governor's task force on deep-draft vessel access to the lower Mississippi River. I'm presenting these remarks today on behalf of Irving F. Hingle, who is chairman of the Governor's task force.

First of all, I would like to thank you for the opportunity to appear before you to tell you about the work that the State has conducted to assess the feasibility of providing access to the lower Mississippi for larger bulk-carrying superships. We believe this work should be made an important part of congressional deliberations concerning waterway project authorizations, Federal cost sharing, and user charges.

We would go so far as to suggest that each proposed waterway project seeking Federal authorization should be subject to an analysis of the type that has just been completed for the deepening of the lower Mississippi.

The importance of the Mississippi River and its tributary system to the economic vitality of the Nation has been well documented by Colonel Haar and I will not belabor the point. I would like to observe only that this great artery of commerce serves a hinterland containing half of the Nation's population and half of the Nation's employment and productive capacity. Ports on the lower Mississippi handle 20 percent of all U.S. foreign trade, including half of all U.S. grain exports. It is clear that any project to enhance the ability of the lower Mississippi to serve foreign commerce must be considered as benefiting a substantial portion of the United States.

Of course, the Mississippi River also is important to Louisiana for economic, cultural, and ecologic reasons. Because of that importance, Gov. David C. Treen formed his task force on deep-draft vessel access

to the lower Mississippi River, by executive order of March 16, 1982, and charged it with studying the feasibility of deepening the river channel from the gulf to Baton Rouge. The task force is composed of 13 members, including representatives of the major State cabinet departments, of the Governor's office and of business and labor.

After an extensive evaluation of consultant credentials, the task force selected the firm of Tippetts, Abbett, McCarthy & Stratton of New York City to conduct the necessary studies. Tams is assisted by Booz, Allen & Hamilton of Bethesda, Md., and by Pyburn & Odom Engineers of Baton Rouge. The studies began in September 1982.

The studies evaluated comprehensively some 45 alternative projects, including different depths and reaches of channel dredging, offshore topping off plans, and a number of combinations of both dredging and topping off. Costs associated with these alternatives were calculated, including both public costs and private costs that would be incurred. Cargo forecasts were made, and transportation cost savings attributable to the projects were estimated. In addition, economic and environmental impacts were assessed.

This is all fairly standard Corps of Engineers type analysis, although our consultants also were asked to look into the possibilities for using topping off projects in place of channel dredging, and they estimated a number of types of costs associated with channel deepening, such as costs of private dock construction, which are not generally included in the corps' analysis.

However, where the corps generally concludes their evaluation of alternatives with a benefit-cost analysis, our studies went further; into the financial aspects of the projects, addressing such concerns as likely Federal cost sharing and the ability to finance the local share of project costs through the imposition of user charges. Our objective was to determine the optimal project not only from the standpoint of benefits and costs, but also from the standpoint of financability.

Our consultants completed their studies on August 1. I would like to submit a copy of their final report, along with my statement, for the record of this hearing. A public meeting of the task force will be held in Baton Rouge on August 23 to consider the consultant's findings and recommendations. I invite you to attend if at all possible.

Although the task force will not consider whether to adopt the conconsultants' findings and recommendations until April 23, I would like to outline some of the highlights of the consultants' report. The consultants have made three primary recommendations:

First, that authorization should be sought for a long-range project to deepen the river channel to 55 feet;

Second, that implementation should begin immediately on the first stage of the project, whereby a minimum 70-foot-wide, two-story channel would be deepened to 45 feet from the gulf via Southwest Pass to mile 172 above head of passes, just above Burnside, La.; and

Third, that the private sector be encouraged to put into operation as soon as possible topping off facilities in the gulf in order to attract and establish patterns of trade in large bulk carriers.

The consultants estimate that a 45-foot-deep channel to mile 172 would cost $77 million for initial dredging and related channel improvements. Annual maintenance of the channel would cost $12 mil-

lion more than maintenance expenditures for the present 40-foot channel.

Senator ABDNOR. What was that first cost?

Mr. COCCHIARA. A 45-foot-deep channel to Burnside would cost $77 million initially for dredging and related channel improvements. And annual maintenance would run about $12 million a year over and above maintaining the present 40-foot channel.

A 55-foot-deep channel from the gulf to mile 172 would cost $169 million initially and $22 million annually over present annual maintenance costs.

Mile 172, the Burnside location, was chosen as the end point of the deepened channel because of the consultants' estimate that 95 percent of the benefits of a deepened river channel would be obtained below that point, while costing only half of what a deepened channel to Baton Rouge would cost.

Average transportation savings from these projects would amount to $106 million per year for the 45-foot channel and $122 million per year for the 55-foot channel.

Further, the consultants found that, if the Federal Government pays half of the project costs, the local share can be recouped through a reasonable level of user charges. There is one important condition to this finding, however. It is imperative that the Federal Government provide initial financing of local project costs. Private financial markets cannot be expected to finance local costs of such a project. Nor will the State of Louisiana likely be in a position to do so.

It appears from our consultants' findings that deepening of the lower Mississippi would be a viable project, from a number of perspectives. I would like to conclude by mentioning another recently completed study, this one from the energy and environmental policy center of the John F. Kennedy School of Government at Harvard University. This study was published in March 1983, and is entitled "The Effect of Port User Fees on U.S. Coal Exports." In this study, a computer based optimization model was developed to determine the most efficient method of allocating funds for dredging U.S. ports to accommodate large coal carrying colliers. The conclusion was that only two U.S. ports should be dredged: Los Angeles/Long Beach and New Orleans.

Again, I thank you for this opportunity to speak before you. We in Louisiana anxiously await the passage of Federal legislation that will allow our ports and waterways to become competitive once again in the world economic marketplace.

Mr. Chairman, I also would be shappy to entertain any questions you may have.

Senator ABDNOR. Thank you, sir, that's a very interesting study you have completed and I'm sure it's going to be very worthwhile. It probably will cause other ports in this country to give second thoughts to what they have prepared and carry out studies, because yours certainly sounds very impressive. Ninety-five percent of the benefits, if I heard you right, you said will be covered by going out to Burnside. How far is that?

Mr. COCCHIARA. That's 172 miles above Head of Passes. Some 60 miles or so of river miles above New Orleans.

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Senator ABDNOR. It would save $122 million. How far is it from that point up to Baton Rouge, then?

Mr. COCCHIARA. From Burnside to Baton Rouge is about another 60 miles, 60 river miles. The major terminals and facilities that would handle the bigger ships, the vast majority of those exist from Burnside south from the benefit side and from the cost side, above Burnside you start running into a number of pipelines and cable crossings that would have to be lowered in order to accommodate the deepened channel. In addition, there are a number of places where the river naturally drops in sediment that would require continual annual maintenance to a very great extent in cost.

Senator ABDNOR. Let me ask you this: If the 45-foot project produced $106 million yearly in benefits, why would the State of Louisiana find it impossible to finance up front 50 percent of the cost?

Mr. COCCHIARA. Well, we're not saying that the project would not be able to pay for itself. As, for example, if you consider it a bonding type project, I think the difficulty that the consultants have projected is in raising that initial amount that would be required to finance the local costs because of the other obligations the State has upon its bonding indebtedness.

Senator ABDNOR. Do you find your approach a far better proposal than the corps has come up with?

Mr. COCCHIARA. Well, we find that it certainly seems to cost quite a bit less than the recommendation to go to 55 feet all the way to Baton Rouge, and as the consultants project, it appears that this will obtain for us the majority of the benefits of the deepened channel.

Senator ABDNOR. Will this bring an uproar from the Baton Rouge people? Would they go to 45 feet with the rest of the channel or where would that stay?

Mr. COCCHIARA. What's been proposed here, that the channel would stay, above Burnside, the channel would stay at 40 feet.

Senator ABDNOR. Forty feet?

Mr. COCCHIARA. Yes.

Senator ABDNOR. And that covers the vast majority of their needs, too?

Mr. COCCHIARA. As seen by the consultants; yes. I know that the Baton Rouge people have the study results under consideration right now. We expect to hear from them at the task force meeting on the 23d.

Senator ABDNOR. You expect that?

Mr. COCCHIARA. Yes.

Senator ABDNOR. You do have the figures to back up your proposal?

There was quite a bit said about coal. Wherever I've held hearings, coal becomes a big subject and the demand for coal in the future. What's the Tombigbee project going to do to you? Would it be in competition with you and your port?

Mr. COCCHIARA. I think the Tombigbee project will provide some competition for coal shipments down through the lower Mississippi. I don't think that the Tombigbee will devastate coal shipments here. The Tombigbee serves a different geographical area. The mines that the Tombigbee will serve are really in a different area than the mines that the Mississippi and its tributary system serves. So I think to a great extent the Tombigbee will not have a great impact on coal shipments down here.

Senator ABDNOR. Did your study go into the type of a user charge at all?

Mr. COCCHIARA. Yes; it did.

Senator ABDNOR. Maybe I missed that. What did it recommend?

Mr. COCCHIARA. Well, there is no recommendation as to a user charge. The consultants looked at a couple of possibilities for Federal cost sharing. The one that they thought was most likely would be a 50–50, Federal/local cost share. If that sort of system were imposed, these projects could be financed, the local share of these projects could be financed with a user charge in the range of about 23 to 35 cents per ton.

Senator ABDNOR. Do they suggest any other way? That's an interesting point, but do they give you an alternative on any other means of financing?

Mr. COCCHIARA. Really, the only two approaches that were looked at were a 50–50 share and a 75–25 type of share. The 75–25 type of share begins to make the project look somewhat marginal from a user cost, user charge standpoint. User charge might have to begin getting high enough that they might begin making the area uncompetitive for shipments.

Senator ABDNOR. Any thought to any kind of proposal for bonding or anything like that?

Mr. COCCHIARA. Well, the user charge levels that were calculated were based on some sort of mechanism whereby the local share would be paid back through the imposition of user charges with an implied tax interest rate. So it was—the calculation was made similar to a bonding type of mechanism.

Senator ABDNOR. This charge on the traffic, would that be on everything going through the port?

Mr. COCCHIARA. Again, the way the calculations here were made were simply a per ton charge on only that cargo that would benefit from the deepened channel, only cargo moving in ships drawing more than 40 feet.

Senator ABDNOR. For the 50–50, would you get the rate you need to go on a 50–50 program?

Mr. COCCHIARA. Yes; for the 45-foot channel, about 23 cents a ton, and for the 55-foot channel, about 35 cents a ton.

Senator ABDNOR. What does that do in the way of competition? In talking with Colonel Haar about not wanting to price ourselves out of the market, would 35 cents a ton drive the price up so high that it would put us out of competition?

Mr. COCCHIARA. No; we don't think so. The average savings of having the deeper channel, for, say, a 45-foot channel, ranged between about $1.35 and $2.80, $2.80 a ton. So that those levels, that's the basis on which we have made the conclusion that those levels of user charges would be reasonable.

Senator ABDNOR. What's the savings on the 55?

Mr. COCCHIARA. Fifty-five-foot channel, average savings per ton ranged from $2 to $3 a ton.

Senator ABDNOR. If the saving is that high, why would the cost sharing have to be 50 percent? Why couldn't it be, say, 70?

Mr. COCCHIARA. The 45-foot channel project actually could probably work with the 75–25 split. The 75–25 split, the 55-foot channel project

begins to look marginal primarily because of the early years of the project. These numbers I'm quoting to you are averages and they assume a certain natural growth of cargo through the area. The first years of the project would probably experience some severe deficits because of the need to allow cargo tonnage to build up. But from an average standpoint, yes, perhaps that could be supported.

Senator ABDNOR. Well, obviously you have done a very thorough job with your study and fact gathering.

Mr. COCCHIARA. Thank you, sir.

Senator ABDNOR. Your study is very valuaable to us.

Colonel HAAR. The executive summary, sir, is only about 18 pages.

Senator ABDNOR. We will make that a part of the record. (See p. 38.)

Mr. COCCHIARA. Thank you.

Senator ABDNOR. We thank you both for your very valuable testimony. It's good to have people come before us who have made thorough studies of the situation and know exactly what the facts are. It's very helpful to us, because it makes it a lot easier for us to reach decisions. We thank you very, very much, both of you.

Colonel HAAR. Sir, I just want to mention that the study cost $600,000, so it was a study in depth. When you realize that sum of money for the study, the State of Louisiana really took this mandate very, very seriously and they wanted a comprehensive study and we feel they did get that.

And, sir, we appreciate very much having the opportunity to be here today to appear before your Senate subcommittee.

Senaor ABDNOR. Let me commend you and your Governor for undertaking this. It is a very detailed document. We're looking forward to having it for our use. Thank you very much.

Mr. COCCHIARA. Thank you very much.

Senator ABDNOR. I think I'll have Edgar Veillon of the Louisiana Wildlife Federation and Vivian Newmann, president of the New Orleans chapter of the Audubon Society. I would like to have you both come forward at the same time. Who would like to go first?

Mr. VEILLON. I offered the lady to go first and she deferred.

Senator ABDNOR. All right. We call on you, then.

STATEMENT OF EDGAR VEILLON, LOUISIANA WILDLIFE FEDERATION

Mr. VEILLON. Senator Abdnor, members of the committee, ladies and gentlemen, my name is Edgar Veillon. I appear before you this morning on behalf of the Louisiana Wildlife Federation, Inc., Louisiana's largest citizen/conservation organization. The federation represents some 80 local sportsmen's associations and 7,000 members from throughout the State. I am past president of the organization and am currently serving as a member of the executive committee. We welcome our distinguished visitors to the bayoa country and hope you enjoy your visit to our favorite State.

I'm here today to talk about our beloved Atchafalaya basin, home of the Cajun and the crawfish, and North America's largest and most important flood relief valve. The development, management and use of the Atchafalaya basin floodway has been the subject of discussion

and, I daresay, dispute over the past 20 years. My involvement began 10 years ago when, as president of the Louisiana Wildlife Federation, I was appointed to the Governor's Atchafalaya Basin Commission. During that period of time I have attended virtually every hearing, meeting and proceeding concerning the basin. With the benefit of those years of hindsight, I can confidently state to this committee that the compromise plan for the Atchafalaya basin, developed by agencies, organizations and individuals representing all sides of the issue, and offered by Louisiana Gov. Dave Treen, is the closest thing to a natural resource conservation miracle that has ever occurred in our State. Of course, until the miracle is transformed from a paper plan to reality, it remains a major objective of the Louisiana Wildlife Federation.

It's not by chance that I mention the basin's ubiquitous crawfish and flood control together in the same sentence, for the natural resource productivity of the Atchafalaya, as represented by the crawfish, is totally compatible and, indeed, dependent on the continued use of the Atchafalaya basin as a floodway.

Lest you presume that I'm referring to a mere crustacean here, let me briefly highlight the values and significance of the basin's resources.

The raw furs harvested there, nearly one-half milion dollars worth, account for 10 percent of Louisiana's annual harvest, which is the largest in the Nation.

Over 20 million pounds of crawfish are harvested commercially on an annual basis. In high-water years like 1983, the production reaches 30 million pounds at a value to the fishermen in excess of $8 million. Catfish and other rough fish caught commercially bring another million dollars to the commercial fishermen. These figures, of course, are multiplied significantly as the product moves through the market to the consumer.

Oil and gas production is a major industry in the Atchafalaya basin earning millions of dollars annually for the producers and royalty owners.

The Atchafalaya represents the last great baldcypress-tupelogum river system producing one-third of Louisiana's hardwood lumber and amounting to 25 percent of the bottomland hardwood forest existing in the lower Mississippi River Valley.

The delta of the Atchafalaya River, dependent on maintaining the natural river system, is the only significant area of landbuilding in North America. It is extraordinarily abundant in fish and wildlife and a virtual paradise for wintering waterfowl.

The Atchafalaya wetland system nourishes Louisiana's coastal marshes, the most prolific seafood nursery on the continent.

Recreation in the form of angling, hunting, crawfishing, crabbing, boating, camping, canoeing, occupies well over 1 million man-days annually, valued at nearly $100 million to the economy.

So as you can see, the contributions that the Atchafalaya basin makes to the natural resource wealth of the State and Nation is indeed something to brag about. But, more significantly of course, it is a floodway of major proportions, assisting the Mississippi River in passing the runoff from 41 percent of the contiguous 48 States.

The proper management of the floodway is absolutely essential to the protection of lives and property outside the floodway, particularly along the Mississippi River. The encouraging thing is that those measures proposed by the compromise plan that will enhance habitat protection and public recreation will also preserve and enhance the flood carrying capability of the basin.

Not often do we find a flood control project that serves the purpose of habitat protection and public recreation as well. We feel that we have one in Governor Treen's Atchafalaya compromise plan.

There has been a tremendous investment in public and private resources and a lot of time and effort put in by volunteers to get us where we are today. We've all learned lessons in diplomacy and negotiation along the way. Perhaps most importantly, we've grown stronger in resolve to protect our State's and country's natural heritage for the enrichment of generations to come while still having the necessary flood control.

We need the help of this committee, the U.S. Congress, and the President to continue moving forward. Thank you for the opportunity to express our views.

Senator ABDNOR. Thank you, Mr. Veillon, for a very fine statement. You are to be congratulated for your proposals. Obviously this one has been well thought out and Governor Treen has worked very closely with you and your group, so it's really something to be able to go forward with a plan such as this and have the complete backing of all the interested parties. As you know, this is part of both the bills that have been introduced into the Senate and the House.

Mr. VEILLON. Yes, sir.

Senator ABDNOR. Now all we have to do is figure some way on our part to get a little compromise going and get the legislation moving. I'm looking forward to that.

I saw part of the area when I flew over it yesterday, the pilot was kind enough to bring the plane down and let me have a closer look. I'm going to get a much closer look at it today and I'm really looking forward to it.

Mr. VEILLON. I would like to say that we're very encouraged by the present proceedings and we thank you for the interest that you have shown in this.

Senator ABDNOR. Thank you.

Mrs. Vivian Newmann.

STATEMENT OF VIVIAN NEWMANN, PRESIDENT, ORLEANS AUDUBON SOCIETY

Mrs. NEWMANN. My name is Vivian Newmann. I'm president of the Orleans Audubon Society, chapter of the National Audubon Society. I'm here today simply to express our wholehearted support for what has come to be called Governor Treen's compromise plan for the Atchafalaya.

First, I would like to express our appreciation for the fact that you are here in Louisiana to see for yourself what this Atchafalaya is all about and to gain firsthand understanding of the nature and scope of this proposed project. We hope your visit will prove to be both informative and pleasant.

The main question we hope that your visit will help to answer, of course, is Governor Treen's Atchafalaya plan for the flood control and resource preservation of national significance? Is there a genuine need for a Federal role in this plan? Certainly this is a fair question and one that is essential that you weigh judiciously in the context of current economic difficulties that are facing our country, but we contend that a national treasure is a national treasure and that's what the Atchafalaya is and it is worthy of protection even at the worst of times if we are going to have a future.

Orleans Audubon and National Audubon Society are dedicated to the protection and wise use of wildlife, land, water, and other natural resources in the best long-term public interest and the protection of national strategies for energy and other resource development and us, stressing conservation and renewable resources.

Our active participation in the long and often frustrating effort to produce such a rational strategy for the Atchafalaya goes back many, many years. I may say that my active participation only goes back 5 years, but it was one of the first words I learned to pronounce when I came to this State. It was obviously on the tip of everybody's tongue and people like Mr. Veillon have really slugged it out for many, many more years than that.

Many of our members, our 1,500 members in the Orleans area, are all too familiar with the consequences of unwise or inadequate provision for coping with the powerful forces of nature in the form of water-related disasters. We are also very conscious of Louisiana's wetlands and waters as a source of life-sustaining resources, not just energy in the sense of fuel for a mechanized society, but very basically for food. It is not for nothing that the Audubon Society, other environmental organizations, individuals, and industry, landowners, the State, the corps, all of these have come together.

These are very diverse groups and individuals who have had a long history of feuding among themselves and have been able to reach an agreement on something finally. As you say, this is probably something pretty rare in the country. Louisiana taxpayers have come to the point where they are willing to share the cost. All these groups that I have been talking about have reached this conclusion, that we are willing to put up, not just ask. This in itself certainly says something. This agreement in purpose should indicate to you the importance we all place on the Atchafalaya. It's also clearly a tribute to Governor Treen himself that after so many years of animosity and discussion among these groups, that we can reach such an agreement. Where else will you encounter projects specifically designed to provide flood control and perserve wetlands at the same time that makes it possible for groups like this to come tgoether and support something like this.

The Audubon Society has a favorite catch phrase I hope you will find useful, too. We say think globally and act locally. I presume that is what your aim is, to think globally and nationally and act locally. Thank you.

Senator ABDNOR. Thank you, Mrs. Newmann. That's quite a challenge. Before you leave, let me ask you something. Have you ever had a chance to review the corps' report on the Atchafalaya dated February this year?

Mrs. NEWMANN. Yes.

Senator ABDNOR. Does it differ greatly from the Governor's proposal, the one you are supporitng?

Mrs. NEWMANN. No.

Senator ABDNOR. Do you feel the same way, Mr. Veillon?

Mr. VEILLON. Yes, sir.

Senator ABDNOR. Do you have any thoughts on that?

Mr. VEILLON. Yes. There's no significant difference.

Senator ABDNOR. Well, that's good. Everybody's coming together here.

Mr. VEILLON. Mr. Chairman, I would also like to say a large part of this working together has come about because of Governor Treen's personal involvement.

Senator ABDNOR. I know he's certainly a well-informed individual on this subject. He was at our committee hearing in Washington and I couldn't help but be impressed by the time he got through with all his maps, figures, and facts. It was well, well done. I learned how to pronounce Atchafalaya. I've come a long ways. Thank you.

Mrs. NEWMANN. Thank you.

Congresswoman BOGGS. Mr. Chairman, let me just say it's nice to have a recorder who is able to understand and pronounce the spellings and names. It doesn't happen too often.

Senator ABDNOR. That's right. She probably practiced that before she arrived here today.

There were some people in the audience who indicated that they may want to testify. I was wondering if you're still interested, Oliver Halk, Foster Sanders, Charles Farling, and Norman Trowbridge? Are any of you gentlemen still here? Do any of you care to testify?

UNIDENTIFIED SPEAKER. I don't see any of them in the audience, sir.

Senator ABDNOR. Col. Robert C. Lee, we can call on you at this time. Colonel, you have had the opportunity, I guess, to hear some of the testimony this morning.

Colonel LEE. Yes, sir.

Senator ABDNOR. I look forward to hearing your comments.

STATEMENT OF COL. ROBERT C. LEE, DISTRICT ENGINEER, NEW ORLEANS DISTRICT, CORPS OF ENGINEERS

Colonel LEE. It's my pleasure to be here, sir.

I am Col. Robert C. Lee, the District Engineer for the New Orleans District, U.S. Army Corps of Engineers. I am pleased to appear before you today to present brief status reports on our study of "Deep-draft Access to the Ports of New Orleans and Baton Rouge" and the study of the "Atchafalaya Basin Floodway System, Louisiana."

I will first discuss our report on deep-draft access to the Ports of New Orleans and Baton Rouge, La. The Ports of New Orleans and Baton Rouge are the No. 1 and No. 5 ports, respectively, in the United States, based on the total tonnage of waterborne commerce moved in 1981—the latest data available. The high rankings of these ports are due to their strategic locations along the lower river; they tranship goods moving between the hinterland of the United States and other ports throughout the world. The availability of industrial sites along the 230-mile stretch of the river and abundant freshwater for indus-

trial processes have also contributed to the growth of these ports. Because of these factors, the steady growth of oceangoing commerce over the years is expected to continue well into the future.

This steady growth in commerce and a worldwide trend to larger ships, with correspondingly deeper drafts, would require depths greater than are currently available. Presently an increasing percentage of ships moving on the lower Mississippi River must be light-loaded, reducing the efficiency of the vessels, and underutilizing the potential port capacity.

Sir, would you prefer that we entertain questions on that project before we go to the Atchafalaya, or would you like me to go right to the Atchafalaya?

Senator ABDNOR. That will be fine. I guess the first thing that goes through my mind as I listen to your testimony, it's well done, but I'm sure you heard Mr. Cocchiara today.

Colonel LEE. Yes, sir.

Senator ABDNOR. Would you care to comment on the Tams report, I think they call it?

Colonel LEE. Yes, sir. I have read their executive summary on the report, plus heard their testimony this morning. We are looking at their detailed report right now. I can't decide any wisdom on the detailed report.

Senator ABDNOR. There was quite a difference in the cost; $22 million in the Tams report versus $137 million in yours.

Colonel LEE. Yes, sir. The Tams report recommends, as I read their recommendation, going immediately to a 45-foot channel from the gulf to mile 172 or about 60 river miles north of New Orleans, and then, based on economic conditions and so on, eventually going to a 55-foot channel. The numbers you have, I think, are for phase 1. The numbers that I'm giving you are for a 55-foot channel all the way from Baton Rouge to the Gulf of Mexico and there are significant costs from mile 172 to Baton Rouge, because you have more crossings and thence the area where you have the heavy industrial development and numerous pipelines and crossings to be relocated.

Senator ABDNOR. Then would you have to conclude, then, that maybe that extra mile that we're talking about, that mile 172, I guess is the line, it's not economically feasible to go all the way?

Colonel LEE. No, sir. We have looked at the incremental benefit-to-cost ratios doing different portions of the project and all of it turns out to be positive, so that if that was a separate project sitting off by itself someplace, we would say it was an economically viable project. The difference in return or the rate of return decreases the farther up the river you go and the more cost you encounter, but it's still a positive project.

Senator ABDNOR. Does your cost include moving the pipeline?

Colonel LEE. Yes, sir.

Senator ABDNOR. I'm sure you're studying this closely and I wonder if we could have a full analysis from the corps by early September, because we're going to be working on a port bill in the Senate very soon.

Colonel LEE. Yes, sir. To give some numbers that would be closer maybe to what you are thinking of with the Tams report, if we were

to receive an authorization on this project in October of this year, just for a starting point, we could go to construction in July 1984. We would do plans and specs immediately and go to construction and by 1987, assuming funding and all of those things came in the order we want, for something around $110 million we could have a 55-foot channel to New Orleans. That does not count annual maintenance or any of the other things. Just talking about capital costs to do the dredging. I would be glad to provide you more information, sir, after we review the report.

Senator ABDNOR. But you will be able to give us your report by September so we can have that at our disposal and use when we get ready to discuss our deep water port?

Colonel LEE. Yes, sir.

Senator ABDNOR. I think it's very important that we have it.

Let me ask you about the saltwater intrusion. It may be simple water, but you say you construct something at the bottom of the river, is that the idea?

Colonel LEE. Yes, sir. The idea that the saltwater wedge comes up the river when the flows are low and stay low for long periods of time, the saltwater wedge sneaks up the river. Making the channel deeper, the saltwater wedge can get farther up the river and would on rare occasions be in the areas that New Orleans and the surrounding parishes draw their water from the river, so it would have an adverse effect. By putting an underwater dam is what it really is in the bottom of the river, building from the bottom of the river up, but never above the 55-foot line.

In other words, ships would go over it all the time, but by building this underwater dam, the saltwater wedge would come up against it and then you would have to fill in all this area and that in effect would cause the wedge not to go as far upstream. We're going to test that as soon as the river conditions are right to test it at a lower area. We hope to test it this fall, sir.

Senator ABDNOR. Has it been tried anywhere in the world?

Colonel LEE. Yes, sir. There are, I understand, I don't know firsthand, I understand that that sort of thing is used in the world. We run model tests on it and they have great confidence that it can be done. But the real thing, we want to run our prototype for this year if the river is right to do it so that we can have a demonstration that it will work before we dredge the channel. I would be glad to inform you how that comes out, sir, if the river cooperates this year.

Senator ABDNOR. Will there be problems in other parts of the United States with deepwater ports?

Colonel LEE. I don't think so. The ones that I know of, I don't know of them taking fresh water from the site where they're going to dredge it deeper. Our problem is that's the major source of water for the industrial complex in the Greater New Orleans area and the parishes downriver.

Senator ABDNOR. Why don't we go ahead to the Atchafalaya testimony.

Colonel LEE. The other port I will discuss concerns the Atchafalaya basin floodway system, which is an integral and vital part of the Mississippi River and tributaries [MR&T] flood control project. The

MR&T project was initially authorized by the Flood Control Act of 1928 as a result of the congressional response to the devastating flood that occurred in the Mississippi River alluvial valley in 1927.

The Mississippi River and its tributaries basin drain an area of 1.25 million square miles in 31 States and 2 Canadian Provinces, an area equal to about 41 percent of the continental United States. The only outlet for this vast amount of water generated by the third largest drainage basin the world is through the lower Mississippi River.

The MR&T project design flood flow below the latitude of Old River, La., is 3 million cubic feet per second. The role of the Atchafalaya basin floodway system is to safely pass one-half of the project design flood, 1.5 million cubic feet per second, to the Gulf of Mexico, thereby protecting from flooding the heavily populated industrial and shipping complex along the lower Mississippi from the Port of Baton Rouge to the Gulf of Mexico. At the present time, the Atchafalaya Floodway can safely handle only about two-thirds of its share of a project design flood.

Normal flows from the Mississippi River are diverted into the Atchafalaya River distributary and the floodway through the Old River control complex. Flood flows enter the Atchafalaya basin floodway through the Old River structure and Atchafalaya River, the Morganza Floodway, and the West Atchafalaya Floodway. Authorized operation of the Old River control structure regulates daily flows to obtain on an annual average 30 percent of the combined total flows from the Mississippi and Red Rivers through the Atchafalaya basin, with the remaining 70 percent discharged through the lower Mississippi River. As was the case with many of the older Corps of Engineers water resource projects, the Atchafalaya basin project was caught up in the nationwide environmental movement of the late 1960's. Dredging of the Atchafalaya Floodway main channel was stopped in 1969 by the corps because of the limited funding and the higher priority need to raise the Atchafalaya basin floodway's east and west guide levees.

As a result of the passage of the National Environmental Policy Act by the Congress in 1969, the Chief of Engineers in 1971 agreed with the National Wildlife Federation that no dredging of the main channel would be resumed until after completion of an environmental impact statement for the project. The federation agreed that the corps should continue work on the floodway protection levees and offered their environmental expertise in helping the corps prepare an EIS for the project.

Subsequently, resolutions were passed by both the House and Senate in 1972, which directed the corps to develop a comprehensive plan for management and preservation of the water and related land resources of the Atchafalaya basin. After completing a draft EIS in 1976, the Chief of Engineers directed a restudy of all of the previously authorized flood control features of the Atchafalaya basin project. Because of the interrelationships of the studies authorized by the Congress and those within the authority of the Chief of Engineers, they were combined into a single study to develop one comprehensive multipurpose plan for the basin.

The primary study goal was to provide an implementable flood control system in the Atchafalaya basin that would safely pass its share,

1.5 million cubic feet per second, of the MR&T project design flood, while at the same time protecting or enhancing the unique and valuable biological productivity of the Atchafalaya River overflow swamp and the gulf coastal estuarine area influenced by the river. Further complicating the basic goal were the needs to maintain mineral development, agricultural activity and timber production; optimize the active delta building processes of the geologically young Atchafalaya River in the Atchafalaya Bay; and expand public opportunity to use the extensive fish and wildlife resources of the basin. Additionally, the study considered a Senate resolution in 1969, asking the corps to reevaluate the operation of the Old River control complex.

Due to the complexity of the issues and the diversity of the natural resources in the basin, an agency management group was formed upon commencement of the comprehensive study effort. The group included the U.S. Army Corps of Engineers, representatives of the Environmental Protection Agency, the Department of the Interior, represented by the Fish and Wildlife Service, and the State of Louisiana, represented by the Office of Public Works. The corps had the responsibility of coordinating the study, conducting engineering, socioeconomic, cultural, and environmental studies, consolidating information from other agencies and interested parties, and preparing the report. Many other interests, including landowner representatives, hunting clubs, the National Marine Fisheries Service, and the National Wildlife Federation, participated in the study in an advisory role.

Much public interest and controversy followed the study throughout its progress. The basin landowners and the environmentalists were major opposing factors on land use issues. Local governing entities were at odds over proposed backwater flooding protection measure: east of the lower floodway and this issue also invoked nationwide environmental interest. Over 25,000 comments resulted from the plan formulation public meetings in January 1979, and about 4,000 comments were generated by public meetings held to review the tentatively selected plan in July 1981.

The comprehensive study report on the floodway, completed in 1982, made recommendations for continuing ongoing features of the project, including the 70/30 flow distribution at Old River, construction of basin protection levees and bank stabilization. It recommended, for approval under the Chief of Engineers' discretionary authority, the modification of previously authorized floodway features for the main channel, the outlets and freshwater structures, and the further study of the Atchafalaya Bay-marsh-backwater complex prior to the implementing corrective measures for backwater flooding problems east of the lower floodway. Finally, the report included new recommendations on real estate, environmental and recreation features, in response to the 1972 congressional resolutions. The land use controversy was resolved by the State, working with prominent landowners and various State and national environmental organizations after the public review of the draft plan in July 1981. In a plan announced by Governor Treen in November 1981, and later adopted by the corps in the final plan, public access in the basin would be provided by the State purchase of lands from "willing sellers" with participation in funding by the Federal Government.

The Atchafalaya basin floodway system, Louisiana, feasibility report/final environmental impact statement was submitted to the president, Mississippi River Commission, January 15, 1982. The Mississippi River Commission acted on the report and submitted recommendations to the Chief of Engineers in June 1982. The Chief accomplished the required EPA review of the final environmental impact statement and the State and agency review of his proposed recommendations on the report by November 1982. The Chief, by letter report to the president of the Mississippi River Commission, on February 28, 1983, approved for implementation all features of the report falling within his discretionary authority, primarily the flood control features. By separate letter report of the same date, the Chief recommended to the Assistant Secretary of the Army for Civil Works the submission of the remaining features of the plan for congressional authorization, primarily the new features for real estate acquisition, environmental protection and recreation development. The unauthorized features are currently under review by the Assistant Secretary of the Army's staff.

As I noted previously, the Federal Government is in a budget squeeze at traditional cost sharing levels—recommended improvements in the Atchafalaya basin may not be an exception to the administration. At 1982 price levels, construction of the previously approved features of the authorized project would cost about $596 million, modifications approved by the Chief of Engineers this year would cost about $221 million, and the primarily environmental features recommended for authorization would cost about $250 million. The traditional Federal share of costs to implement all of the above would be over $1 billion, an amount difficult, if not impossible to earmark for this project, or any other single project, by the administration in view of our Federal budget deficit.

Due to the complexity of the Atchafalaya basin, the completed interim report addresed only the features of the floodway system proper.

Additional feasibility studies were started in March 1983 which will recommend management measures for the Atchafalaya Delta and for flooding problems in areas located outside of the floodway, to the east and the west. These studies include the engineering and biological parameters affecting the complex, dynamic and delicate ecosystem of the Atchafalaya Bay-Terrebonne marsh backwater complex. We have initiated a public involvement program which will continue throughout the remainder of the study. This program includes the normal coordination activities with other Federal, State, and local agencies and extensive contact with concerned public inerests through individual meetings as well as more formal public meetings.

This concludes my formal presentation, sir. I will be pleased to respond to any questions.

Senator ABDNOR. Colonel Lee, how soon will these studies be completed?

Colonel LEE. The ones we have just started now, sir, the study time on those is anywhere between 3 and 5 years. One of the reasons is we're going to run some extensive models at the waterways experiment station on it and we right now this week, next week, are trying to work out the final schedule with them, how quickly they can get the models up to speed and then run the tests that we want to run. That

only has an effect on the areas outside, basically outside of the Atchafalaya basin, which I'll try to point out to you today, sir. Everything within the basin is included in the comprehensive report.

Senator ABDNOR. Thank you very much. I'm looking forward to that.

Colonel LEE. Thank you, sir.

Senator ABDNOR. It was my pleasure.

We have with us our next and final witness, Governor Treen, who was kind enough to invite me down here to look over the Atchafalaya project.

Governor, we've had some very interesting testimony here today and it's very apparent that you've done a lot of work on this.

Governor TREEN. Right.

Senator ABDNOR. Mr. Cocchiara covered the Tams study that the task force had undertaken. It's very interesting. After the corps looks at it, it will be very interesting to get their comments. Obviously it certainly looks good on the face of it and I know you're very enthused about it. I couldn't get over it. This is a real treat to come down and find everyone in agreement over the Atchafalaya. All the environmental groups and all those interested in the project have all come together on the program. It's a real credit to you and we welcome you to the committee and look forward to your testimony.

STATEMENT OF HON. DAVID C. TREEN, GOVERNOR, STATE OF LOUISIANA

Governor TREEN. Thank you, Senator, very, very much. It's a great personal note to be here with you. We went to the Congress together in January 1973 and you went on from that to the elevated status of U.S. Senator and I'm certainly glad that you did. I don't suppose back in 1973, when we took the oath of office together, we thought that we might be collaborating this way, you as chairman of the Subcommittee on Water Resources and Dave Treen as Governor of the State that drains 41 percent of the United States, including South Dakota. But in any event, I'm very, very happy that you're here and I express my deep appreciation for you to take the time to come and to go with us into the Atchafalaya basin, which we are looking forward to very, very much in just a little while.

I don't want to be redundant, Mr. Chairman. You heard me in Washington on the Atchafalaya project and you heard from others here, including, of course, the Corps of Engineers that have given you some of the history and the background of this. Let me just make a few points rather than to take your time with going over a lot of what you already know.

This Atchafalaya basin is part of the national drainage system of this country and designed to take a lot of the flood waters off the Mississippi River, as you know, and has been explained. So it's a very important asset in terms of the drainage and flood control. We, being down here receiving all of these waters, have some tremendous flood problems and I know there's been some national attention on that lately because of the floods that we have had here, so we do believe that this requires national attention.

I know the Congress is going through the debate and has been for quite some time, about how much of the cost should be paid by the Federal Government or by local government, State government, and that's an issue that you are coming to grips with, and I suggested to you in Washington and I reiterate again, I don't think there can be a single set of criteria. I think each project, I think there has to be multiple criteria to determine that, and I suggest to you that this is one which is of national interest, not only because of the reception of the waters from so much of the continental United States, but because also the Atchafalaya basin is truly a national asset. It is the largest remaining essentially wild river basin in the United States and we want to preserve it to the extent that we can, and the plan, and I appreciate your compliments on it, the plan was worked out laboriously. This has been a conflict in Louisiana for many, many years.

The Congress recognized the conflict about the future of the basin when it said, in effect, by resolution, stop. We're not going to do anything else in that basin except some dollars here and there to provide for some flood control, but we're not going to do anything major in that basin until you get your act together down in Louisiana, and so that conflict, which went on then for several decades, I took it as a high priority of my administration and working with some wonderful people, some of whom are here from the environmental community, landowners, mineral interests, the forestry interests, the commercial fishermen, the commercial trappers, the sports fishermen, all these people came together in this plan, brining people together in a unified plan. Some people giving up that which they would have liked to have had. I mean, the environmentalists would have liked to have had complete setting aside of this basin and no use whatsoever.

Under this plan we do permit energy production to go forward. Naturally the 404 permit for that must be obtained in any wetlands area, must be obtained here. But they agree to that. They agreed to some production of the forest resources in that area. And then the landowners gave up something and everybody gave up something and came together with this plan. It does require some Federal participation or hopefully some Federal participation.

We are trying to perserve 40 percent of the lower Atchafalaya basin for recreational use. The State owns a lot of the land now. The water bottoms we own. We acquired a tremendous donation from the Dow Chemical Co., about 40,000 acres in the basin. We have a plan now to acquire 55,000 acres and it's on this land acquisition thing that I would like to focus for just a few moments.

In the past session of the legislature, I asked the legislature to appropriate $12 million for phase 1 of the acquisition in the hope that over a 3-year period we could acquire the approximate 55,000 acres that we want. In the report that's been referred to, the recommendation is for some approximately $34 million of Federal funds for that program. For 55,000 acres, if roughly $1,000 an acre, would be $55 million, the State's willing to put up the balance of that.

In addition to that, this is a depiction of the lower Atchafalaya basin. We would provide the flowage easement without any charge to the Federal Government on all of the lands owned by the State, that

which we owned before and that which we acquired by donation from Dow and any other lands that we acquire. Of course, the flowage easement, which will have to be obtained through condemnation, if not through conventional process, is part of the cost of the overall plan.

So that would be something that we would contribute to the overall cost, is the flowage easement for the entire lower Atchafalaya, and you will see when you get out there, Senator, we're going to go into several areas in the Atchafalaya basin, but from U.S. 190 south, that's 600,000 acres of this river basin, and if our plan is finalized, we'll have 40 percent or approximately 240,000 acres of this will be available for public access. We are in the process now of using that $12 million to acquire land in this area and we are going to take you to that particular area.

So we are moving forward, the point that I'm trying to make, with the first phase and we're willing to put up some additional dollars, and for that $55 million project, we would hope that the Federal Government will provide $34 million as part of the comprehensive plan.

I have talked to Secretary Ward about this, as a matter of fact he has gone into the basin and has traveled there with us. We have his enthusiasm for this and we know that the problem is on the funding level. But what I really want to emphasize is that the State of Louisiana is not saying come in here and do it all, Uncle Sam. We're willing to do what we consider to be a very substantial share of that cost. So we hope that your plans will still permit you to come out to the basin. We've got some seafood. I think we've got—this is Secretary Jesse Guidry. I don't know if he was introduced before. I'm sorry. He has been in the committee room, Secretary of the Wildlife and Fisheries, Jesse Guidry who is right from that basin. I don't know if you're quite in it or around the edge of it, your home, but he knows this area very, very well. He's going to help guide us on our tour and he is the one responsible for the negotiations that are going on now for this land acquisition.

So I conclude simply by saying that the people of Louisiana got their act together pursuant to the directive of the Congress of the United States to get their act together in September 1981, and we've put the plan together. It was laborious. It took a lot of work. It took a lot of good will. We have it together. The Corps of Engineers has approved it up the line and we're so pleased that you have in your draft bill, it's not a draft anymore, it's been introduced, that you have included the $195 million, I think that's the figure, $195 million in the bill, and on the House side there has been some movement as well, as you know, by the Public Works Committee over there.

Thank you, Mr. Chairman. I will be glad to try to answer any questions that you may have.

Senator ABDNOR. Thank you, Governor, for your statement. We know of all the time and work that you have put into this and we know it has been one of your real goals. You certainly have brought this program a long, long way. Do you know of any changes that need to be made in the corps' report to fit into your plan? Is it pretty well together?

Governor TREEN. Yes. In effect, our plan was adopted and incorporated in the corps' plan in its totality, unless there's been some change in a level that I'm not aware of.

Senator ABDNOR. I think that we have all concluded that today. I just wanted to make sure that it did.

Governor TREEN. I think that's another beneficial aspect of this, is that this plan worked out, has been incorporated in its entirety. In other words, we are going on a single track here.

Senator ABDNOR. You have. I wonder if that's been done before?

Governor TREEN. I don't know, and we still have everybody together. I know it's a handshake, it's a good faith, but Edgar Veillon and others that are leaders of our naturalists and environmental community, we are all together on this thing.

Senator ABDNOR. I feel you are.

Governor TREEN. Hurry up. We don't want it to fall apart. I don't think it will. You have another couple of weeks.

Senator ABDNOR. The Senate is in recess now and when we go back, on the 12th, we will begin marking this up on September 14. Hopefully all will go well. The House has already made great strides on their bill and I guess it's just a matter of bringing it to the floor. We do have a difference of opinion in our language in a number of places, but that's not unusual, as you well know, but we do have a way of getting together.

The main thing, these projects, both the port and the Atchafalaya, are part of both versions of the bills and that's got to be good news, and hopefully we're going to get together. We all seem to agree that the time has arrived that we have got to go forward with water projects. It's been stalemated long enough and even some of those that were opposed to the projects over the last few years are talking differently and much more encouragingly today for the possibility of getting a water bill passed, and believe me, no one would like to see that done any more than I would. So keep pushing us along and hopefully we'll have something accomplished in the very near future.

Governor TREEN. Could I add on other thing, Senator? I was here primarily to discuss the Atchafalaya, but I do want to add my support to, of course, the program of making our lower Mississippi River depths greater in order that we can encourage the exportation of coal. It's in our national interest to sell that coal worldwide.

We have a tremendous supply of it and this magnificent waterway is one of the effective ways to get that coal to foreign markets, and as a result of the study, we do believe that certainly the lower part of the Mississippi River, the dredging in order to make the depth to accommodate the deep-draft colliers we believe is in the national interest. Naturally it's in our interest, too, but we believe it's in the national interest and I just wanted to underscore my support for that.

Senator ABDNOR. Thank you, Governor. I just want to say that we have had some excellent testimony today again, and Colonel Haar who lives, breathes, and eats the port project, gave some very convincing figures. But I particularly want to compliment you on this task force that you set up, and Mr. Cocchiara gave us some excellent testimony and it's going to be interesting to see the corps and your study come together. There's got to be a new look taken of this and decide what is the best approach. But your group has certainly given us something to look at.

Governor TREEN. We spent about $1 million on this.

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Senator ABDNOR. Obviously, in Louisiana, you're ready to go forward with the initiative, even though it includes many dollars along with it, and we do appreciate it, because maybe it will go a long ways toward getting things started a lot quicker. Your task force is going to play a big part in that. We really thank you for coming here today and I'm looking forward to your offer of taking me on this tour, so are the members of the staff.

Governor TREEN. Thank you, sir.

Senator ABDNOR. The committee will stand adjourned.

[Statements and other material submitted for the record follow:]

STATEMENT OF SENATOR RUSSELL LONG

BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SUBCOMMITTEE ON WATER RESOURCES

AUGUST 12, 1983

NEW ORLEANS, LOUISIANA

Mr. Chairman:

It is a pleasure to have you in our state today. Thank you for taking this opportunity to come here and consider issues of great concern to us. I regret that because of prior commitments here in Louisiana I cannot be with you in person.

Mr. Chairman, the rivers and waterways in Louisiana are resources for the entire nation. Much of the world's commerce flows through our rivers and passes through Louisiana ports. Our waterways also serve as the watershed for a large portion of the nation. As a result, we are vulnerable to floods which threaten us on an annual basis.

The legislation considered by your subcommittee--regarding water resources projects and how those projects shall be paid for--is of particular concern to us. Louisiana has also been affected by the impass in Congress which has prevented the passage of omnibus water resources legislation for a number of years now.

I am therefore encouraged, Mr. Chairman, by the efforts being made by your subcommittee to formulate comprehensive authorization policies. Legislation now pending before your committee, plus legislation to be introduced concerning deep-draft harbor development, may well serve to help resolve many of the problems facing us in this difficult area.

Mr. Chairman, I will not attempt to address individually all of the projects of importance to us here in Louisiana. The experts testifying here today about the Atchafalaya Basin, deep-draft access on the Mississippi River, flood control, and other projects, are well qualified and are best able to discuss their projects in detail. I urge you to give every consideration to their remarks.

I commend your efforts here today, Mr. Chairman, and look forward to working with you and the members of your committee in addressing these important issues.

STATEMENT OF
REPRESENTATIVE LINDY BOGGS
SUBCOMMITTEE ON WATER RESOURCES
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
NEW ORLEANS, LA., FRIDAY, AUGUST 12, 1983

Mr. Chairman,

It is a pleasure to welcome this Subcommittee to New Orleans.

I appreciate this opportunity to appear in support of two important projects that have been recommended for Congressional approval by the Chief of the Corps of Engineers: the Atachafalaya Basin Floodway System enhancements and the Mississippi River Deep-Draft Ship Channel.

Under the 1928 Flood Control Act, the Corps manages the Atchafalaya Basin project to provide flood control, reduce hazards to navigation, control sediment diversion and regulate the flow of water between the Mississippi River and the Atchafalaya River. The Atchafalaya Basin is a complex, dynamic, and delicate ecosystem which demands thoughtful observation, planning and management.

The Atchafalaya Basin provides both commercial and sports fishermen with a great variety of fish and wildlife. It is the home of many endangered species of wildlife. In order to safeguard the vast resources of the Basin and protect the people and land surrounding the Basin, the State of Louisiana

and the Federal government must combine resources to manage the Basin wisely.

After a number of years of work by Agency Management Group lead by General Tom Sands, a workable multi-purpose plan has been developed for the Basin. A key to this plan is an agreement developed by the State for the purchase of certain lands within the Basin from private owners. The State has agreed to pay half of the purchase price and I believe it is reasonable for the Federal government to pay the other half.

Congressional approval is essential in order for this agreement to be consumated. If Congress does not act in a timely fashion to approve the plan then we may lose an opportunity to preserve one of America's greatest natural resource.

The Atchafalaya Basin plan has solid support within the State of Louisiana and I would urge its approval.

In his State of the Union Address this year President Reagan called for action on port improvement projects in order to take advantage of new world trade opportunities. The Corps' proposal to make the Mississippi River accessible for deep draft navigation is just the type of project that should receive Congressional support.

Increasing the draft on the River for the Port of New Orleans area will provide direct benefits for the entire mid-American region. It will improve the Port's ability to

handle the larger, more efficient vessels that will carry our grain, coal and other commodities to markets around the world. According to the Corps' report, this project will have a very favorable benefit-to-cost ratio , one that more than justifies our investments in these improvements.

I am encouraged by the fact that the House Committee on Public Works and Transportation reported a bill just a week ago that includes the necessary authorization for both of these projects. This bill, the Water Resources, Conseravation, Development, and Infrastructure Improvement and Rehabilitation Act (H.R. 3678) was the result of considerable efforts by the members of the House Committee. I am in hopes that it will receive further consideration in the near future.

As the members of this panel know, Congress and the Administration are attempting to formulate a rational and equitable approach to dealing with the urgent water development needs of ths country. It has been a number of years since Congress last approved legislation to authorize projects to deal with flood control, inland waterways or port improvement.

In trying to develop cost sharing criteria, the Administration has proposed approaches that are complex and somewhat less than popular. Your Subcommittee, as well as your House counterpart, must deal with these proposals for "innovative financing" which would require upfront financing and cost sharing from non-Federal sponsors where none existed before.

Were it possible, I would prefer to see the traditional method for Federal financing of these projects continue. But the Administration appears to be adamant that there will be no new starts for water resource projects without some form of cost sharing.

If, in fact, cost sharing is the quid pro quo for future port and navigation development, then I would recommend to the Subcommittee an approach contained in a bill I have cosponsored with Representative Matsui and others. Senators Hatfield and Warner have introduced legislation similar to our bill, H.R. 2406.

H.R. 2406 provides for a uniform ad valorem fee that is intended to raise 40 percent of total operation and maintenance costs. A portion of the ad valorem fee would be used toward funding of the local share of new construction for those ports paying a fee that exceeds their O&M costs. It would dedicate 2.2 percent of customs revenues to cover the Federal share of new construction, with the non-federal share based on a sliding scale according to depth.

Mr. Chairman, I serve on the Subcommittee on Energy and Water Development Appropriations which funds these water resource projects. The members of my Subcommittee are aware of the urgent need for some new construction projects and for the repair and rehabilitation of some existing projects. We fully intend to recommend funding for new construction in the coming fiscal year. Now that the authorizing Committee in the

House has acted on H.R. 3678, I expect that funding for projects such as the Atchafalaya Basin plan and the Mississippi River deep-draft plan will receive priority consideration when Congress returns from the August recess. Because I consider boths of these projects to be of the highest important, I will do all I can to insure that the Corps' maximum capabilities for both of them are funded in FY 1984.

Thank you.

FINAL REPORT

DEEP RIVER STUDY

LOWER MISSISSIPPI RIVER

STATE OF LOUISIANA

GOVERNOR'S TASK FORCE ON DEEP DRAFT VESSEL ACCESS TO THE LOWER MISSISSIPPI RIVER

JULY 1983

TAMS TIPPETTS-ABBETT-McCARTHY-STRATTON
ENGINEERS, ARCHITECTS AND PLANNERS

BOOZ, ALLEN & HAMILTON, INC.

PYBURN & ODOM, INC.

EXECUTIVE SUMMARY

INTRODUCTION

The "Deep River Study" was designed to define the best plan for providing deep-draft vessel access to the Lower Mississippi River (from the Gulf of Mexico to Baton Rouge) taking into consideration engineering, environmental, financial, economic and administrative factors. The selection was made after considering more than 45 alternative channel-deepening programs including that recommended by the U.S. Army Corps of Engineers in its 1981 report, "Deep-Draft Access to the Ports of New Orleans and Baton Rouge, Louisiana Feasibility Study".

The study's findings and recommendations are described herein, including a summary description of existing conditions, the alternatives evaluated and the study process involved, and the recommended program and its various implications.

EXISTING CONDITIONS

Navigation Channel

The Channel is maintained by the Corps of Engineers to a depth of 40 feet below the National Geodetic Vertical Datum (N.G.V.D.--which is equal to Mean Sea Level), from the Gulf via Southwest Pass to Mile 233 Above Head of Passes (AHP) at Baton Rouge. The width of the maintained channel is as follows:

Reach	Mileposts Referenced to Head of Passes (HP)	Width in Feet Maintained Channel
Southwest Pass	20 BHP to HP (Mile 0)	800
Head of Passes to Grand Pass (Venice)	HP to 10 AHP	1,000
Grand Pass to Port of New Orleans	10 APH to 127 AHP	500
New Orleans to Baton Rouge	127 AHP to 233 AHP	500

Many reaches are naturally deeper than 55 feet and the aggregate length of the various reaches that would have to be dredged to provide a 55-foot deep channel, for example, would amount to only 78 miles of the total 250-mile distance from the Gulf to Baton Rouge. The major part of the deepening would be located at the reach from the Gulf to Milepost 5 AHP and at the crossings located upstream of Milepost 145 AHP.

Terminal Facilities

The vessel berthing facilities at all of the coal terminals and some of the grain and crude oil import terminals appear to have been designed to be able to accommodate fully-loaded vessels that could navigate a 55-foot deep channel. The cargo handling equipment at most of the grain and some of the coal and crude oil terminals would have to be modified to load deep-draft vessels efficiently.

Pipelines, Cable Crossings and Bridges

A total of 129 pipeline and 21 power or telephone cables cross reaches of the river between the Gulf and Mile 233 AHP in which dredging would be required. A minimum of 15 feet of cover is required above existing pipeline and cable crossings, and 25 feet above proposed crossings to safeguard them against ship anchors and vessel groundings. To meet these criteria, all seven of the pipelines and the one cable crossing in Southwest Pass would have to be modified, whereas only one of the pipeline crossings and none of the cable crossings in the reach between Head of Passes and Mile 172 (above Burnside) would require alteration if the channel is dredged to 55 feet. Fifty percent of the pipelines and cable crossings, numbering approximately 60, in the reaches upstream of Mile 172 AHP would have to be altered even if the channel were deepened only to 45 feet.

Six fixed-span bridges cross the River in the study area. Two additional bridges are under construction. Horizontal clearance is adequate at all bridges, but large vessel traff

may have to be restricted to one-way movements near two of the bridges. Ships should be able to clear the underside of the bridges, loaded or in ballast, except perhaps a few of the largest ships during extreme high water.

Levees, Revetments and Training Work

With careful alignment of the widened channel no significant changes would have to be made to the levees, revetments, roads and railroads alongside the River, considering that the River is very broad along most of its length. Some of the jetties in Southwest Pass may have to be modified.

PROJECT EVALUATION AND SELECTION

Alternative Projects

The alternatives for providing deep-draft vessel access to the Lower Mississippi River are numerous including dredging and non-dredging projects. The different features of these alternatives include the depth, timing and location of channel deepening, the extent of shore-based terminal facility modification, and the use of cargo topping-off systems in the Gulf or River mouth. Phase I of the study evaluated forty project alternatives in order to identify the best plans and to provide a preliminary indication of project feasibility.

Phase I studies showed that Southwest Pass was the best route for providing a deep-draft channel connection from the Gulf to the Head of Passes and that deepening the channel upstream of Mile 172 Above Head of Passes (AHP) would not be warranted. Phase I studies also indicated that increases in commerce may be expected in the project area, particularly export of grain and coal, and that the trend toward use of deep draft bulk cargo ships is expected to continue. Finally, several projects showed favorable benefit to cost ratios indicating project feasibility.

Phase II of the study evaluated in detail sixteen project alternatives selected from Phase I. The principal features of these alternatives are outlined in Table 1.

Study Process

In order to identify the superior project, a detailed study process was undertaken. The study process can be summarized as follows:

Estimate of the transportation cost savings resulting from deep-draft vessel access - The use of larger ships will allow economies of scale and result in lower shipping costs per ton; these transportation cost savings are one of the main benefits of deep-draft vessel access. The transportation costs savings estimates were based on forecast of waterborne commerce on the Lower Mississippi River through the year 2035. Forecasts of the vessel fleets that will serve the area under different channel depth alternatives were also developed. These two forecasts were inputs into a shpping cost model used to evaluate cost savings under different project alternatives.

Estimates of project capital costs and annual operating and maintenance costs - The costs include expenditures in both the public and private sectors.

Comparison of project savings and costs - The present worth of all costs and transportation savings resulting from a deep-draft vessel access project were calculated.

Analysis of other impacts of deep-draft vessel access - The other impacts include beneficial impacts such as increased U.S. export tonnage and employment created. Environmental considerations such as salinity intrusion and marshland creation were also evaluated.

Comparison and ranking of alternative deep-draft vessel access projects - The alternative development programs were ranked on the basis of savings and costs as well as other impacts. Project Alternatives 9 and 11 were ranked as the top two and were subject to further analysis.

TABLE 1

MISSISSIPPI RIVER DEEPENING STUDY - PHASE II

DESCRIPTION OF ALTERNATIVE PLANS

Group	Alternative Plans	Channel Depth (Feet) 1985 to 1990	1990 to 1995	1995 to 2005	Cargo Transport Systems Grain	Coal
I	Dredging from Gulf to Mile 172 AHP : No Topping-off Operations					
	1	45	45	45	A	A
	2	45	50	50	A	A
	3	45	50	55	A	A
	4	50	50	50	A	A
	5	55	55	55	A	A
	6	50	60	60	A	A
II	Dredging from Gulf to Mile 172 AHP : Includes Topping-off Operations (Grain and Coal in Gulf)					
	7	45	45	45	D	C or D
	8	50	50	50	D	C or D
III	Dredging from Gulf to Mile 172 AHP : Includes Topping-off Operations (Grain mid-stream and coal in Gulf)					
	9	45	45	45	B	C or D
	10	50	50	50	B	C or D
	11	55	55	55	B	A
IV	Dredging from Gulf to Mile 15 BHP : Includes Topping-off Operations (Grain at river mouth and coal in Gulf)					
	12	50	50	50	B'	C or D
	13	50	50	50	D'	C or D
V	No Dredging: Includes Topping-off Operations (Grain mid-stream and coal in Gulf)					
	14	40	40	40	B	C or D
	15	40	40	40	A	A
	16	40	40	40	B	A

Notes: A - No topping-off operation
B - Topping-off mid-stream in river - barge transfer
B' - Topping-off mid-stream at river mouth - barge transfer
C - Topping-off in Gulf - barge transfer
D - Topping-off mid-stream at river mouth - shuttle ship transfer
D' - Topping-off in Gulf - shuttle ship transfer

Analysis of financial feasibility - The financial analysis included identification of financing alternatives, a review of financing alternatives, a review of proposed user charge legislation, development of pro forma financial statements and an assessment of financial feasibility of project alternatives 9 and 11.

The last step in the study process is the selection of a recommended program and formulation of an implementation plan. This last step is addressed below.

RECOMMENDED PROGRAM AND PROJECT IMPLEMENTATION

The Recommended Program

The most appropriate course of action among the dredging and non-dredging alternatives analyzed in this study was found to be the following:

- Dredge the present 40-foot deep channel to 45 feet initially from the Gulf via Southwest Pass to Mile 172 AHP to provide for two-way navigation of the deep draft vessels that would serve the forecasted most likely level of waterborne commerce (Alternative 9).
- Plan and seek authorization to further deepen the channel in stages to 55 feet in the future should actual increases in commerce equal the high level of commerce (Alternative 11).
- Put into operation, as soon as possible, facilities for loading and topping-off grain ships mid-stream and topping-off coal carriers in the Gulf in order to attract and establish patterns of trade in large ships.

Configuration of Deepened Channel

At straight reaches, a 750-foot wide channel should be provided for two-way navigation of vessels ranging upward to 125,000 d.w.t. in size (the predominant range of vessels in the prospective ship fleet). The channel should be greater than 750 feet in width, by as much as 150 feet, at reaches subject to strong currents and at many of the bends in the river.

Capital Cost Estimates

The estimates of capital costs for the recommended program include expenditures in the public and private sectors, as follows:

Public Sector Costs

- Dredging and disposal of spoil materials;
- Development of disposal areas on land including property acquisitions and marsh creations;
- Modification of levees, revetments, river training works and navigation aids;
- Measures for mitigating adverse environmental impacts including improvements to water supply systems; and
- Removal of shipwrecks.

Private Sector Costs

- Relocation of pipeline and cable crossings;
- Modification and expansion of port facilities including deepening of berths at terminals serving deep-draft vessels;
- Provisions of topping-off systems in either mid-stream or the Gulf;
- Expansion of barge fleeting areas; and
- Augmenting the fleet of tug boats and other service craft for assisting deep-draft vessel navigation.

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The capital costs for recommended Alternatives 9 and 11 were estimated in three stages of development: Stage I - the period to 1990; Stage II - 1990 to 1995; and Stage III - 1995 to 2005. Capital costs for all three stages are estimated to total $129 and $222 million for Alternatives 9 and 11, respectively.

Operating and Maintenance Costs

The annual costs for maintenance and operations for the recommended alternatives were also estimated for the three stages of project development. For Alernative 9, the annual costs range from $15.2 million in the first stage to $17.3 million in the third stage. The annual costs for Alternative 11 range from $24.1 million in Stage I to $25.4 million in Stage III. Annual costs for maintenance of modified and expanded facilites, for operation of cargo transfer equipment, barges, shuttle ships, tug boats and other service craft as well as for increases in berth time of vessels entailed in the topping-off alternatives are included.

Transport Cost Savings

The annual savings in transportation costs for Alternative 9 are estimated at $70.9 million in 1990, $85.5 million in 1995, increasing to $134.3 million in 2005. Alternative 11 savings are estimated at $80.6 million in 1990, increasing to $95.9 million in 1995 and $152.0 million in 2005.

Comparison of Costs and Savings

The present worth of all costs and transportation savings was calculated for Alternatives 9 and 11 based on a 50-year project life and a 9.0 percent interest rate. The estimated public and private sector costs and savings for Alternatives 9 and 11 are presented and compared in Table 2.

TABLE 2

PRESENT WORTH OF COSTS AND SAVINGS
PUBLIC AND PRIVATE SECTORS
(Most Likely Level Forecast of Commerce)

Alt.	(a) Total Capital Costs (Millions)	(Present Worth of Costs or Savings (Millions of Dollars) Public and Private Costs Capital	Annual	Total	Transportation Savings Total	Net(b)	S/C Ratio (c)
9	129.0	83.5	123.3	206.8	740.3	533.5	3.6
11	250.0	159.6	197.9	357.5	837.1	497.6	2.3

Notes: a) Total capital costs comprise public and private expenditures all stages.

b) Net Savings equal difference between present worth values of total savings and total costs.

c) S/C Ratio equals present worth of total savings divided by present worth of total costs.

The Savings to Cost Ratio (S/C), i.e., the present worth of total savings divided by the present worth of total costs, is estimated at 3.6 for Alternative 9 and 2.3 for Alternative 11.

Overall, Alternative 9 is considered to be the most favorable program for near term improvements. Alternative 11 would yield the highest net savings if the high level of commerce was achieved, and should be considered an appropriate goal for long range planning.

Financial Analysis

The financial analysis resulted in the following conclusions:

- A comparison of project savings to project costs suggests that there is sufficient reason to proceed with the project.
- User charge legislation is expected to be passed by the end of the 98th Congress (late 1984). The split between the federal government and the local sponsor for both new deepening projects and maintenance will be near 50-50 percent. There will be a graduated local share as water depth of new projects increases.
- Both project alternatives 9 and 11 are characterized by a suitable level of transportation cost savings to support a reasonable level of user fees.
- A user charge designed to fully amortize year-to-year debt service of the initial construction bond and operating costs is considered unreasonably high during the early years. Such a user charge level would be a disincentive to use the deepened channel and is considered infeasible.
- The most feasible approach to financing the project is based on debt financing with a graduated system of user charges. The debt financing approach results in user charge assessments which are reasonable and should encourage, rather than discourage, use of the deepened channel. However, debt financing results in large annual deficits in the early years of the project.

- The debt financing approach requires covering the initial project deficits either from general revenues or the use of an assurance bond (second debt instrument). If the federal government provides initial project financing (with payback of the local share), it is assumed that the deficits could be covered. However, if the State of Louisiana is required to finance the local share of the project, a second debt instrument would have to be used.

- In the event that the State is required to finance its share of project costs, a second debt instrument in the range of $47 to $125 million will be required. It is assumed that this would take the form of a state G.O. Bond. However, in this fiscal year, Louisiana will issue about $300 million in G.O. Bonds and retire about $100 million with total outstanding debt for the State estimated at $2 billion. Because of this, it is believed that a second debt instrument in the higher end of the $47 to $125 million range is not feasible and a bond for the lesser amount could be questionable.

- In all likelihood, the State will have to develop a financing package that would include a low or no-interest loan from the federal government where initial retirement would not begin until the late 1990s.

Other Impacts of Deep Draft Vessel Access

In addition to yielding savings in vessel transportation costs, the provision of access to deep draft vessels would have other beneficial impacts on the Nation and the State of Louisiana.

Economic Benefits

The principal economic benefits would comprise:

- Savings in vessel transportation costs for the shipping of grain, coal, crude oil and other dry bulk cargoes;

- Increased export tonnage, and consequent improvement of the U.S. balance of payments;

- Increases in employment with the State of Louisiana and other states from which commodities are shipped through the Lower Mississippi River.

The improvements in annual balance of payments are estimated to range from 90 million dollars in 1985 to as much as 280 million dollars in the year 2005, and represent an increase of two to three percent. Increases in employment in Louisiana attendant to a 45-foot deep channel project are estimated at more than 1,000 jobs during the two to three year period when the channel and shipping facilities are improved, and subsequently would range annually from 750 jobs in 1995 to almost 1,000 jobs in the year 2005. Out-of-state increases in employment are estimated to range annually from about 600 jobs in the near term to as much as 1,900 jobs in the year 2005.

Environmental Considerations

The principal environmental issue that was addressed in the study was the effect of salinity intrusion upon water supply systems. In addition, the Corps of Engineers' final Environmental Impact Statement on the effects of a deepened channel was reviewed and evaluated as to the adequacy of the mitigative measures recommended therein with respect to:

- dredging and disposal operations;
- sedimentation;
- marsh and habitat creation;
- potential marsh loss due to redistribution of flows and sediment;
- fisheries;
- recreational activities;
- sea-bird nesting; and,
- air emission and water quality.

Analyses made by TAMS, including computer simulation of salinity intrusion, confirmed that the toe of the salinity wedge is not likely to extend beyond the historical upstream limit (mile 116 AHP) with a 55-foot channel. Although analyses indicate that there would be an increase in the duration of

excessively saline waters below Mile 80, the construction of additional reservoir storage capacity, estimated to cost about $3 million, would offer a viable solution.

It is considered that the Corps' study identified adequately the impacts and mitigative measures that would have to be taken except in certain areas where further investigation is required. These include: evaluation of toxic wastes, marsh creation, impacts of proposed freshwater diversion projects, and a thorough Section 404(b) (1) Dredge and Fill Evaluation and Ocean Pumping Assessment, to determine impacts of dredged material disposed in the Gulf upon fisheries resources.

Marshland Creation
and Land Reclamation

In the dredging alternatives the disposal of material removed in the deepening and maintenance of Southwest Pass affords an opportunity for creation of marshlands and land reclamation of the river's delta. It is estimated that the material dredged initially in deepening the Southwest Pass to 45 feet and in maintenance of that reach over a 25-year period would be sufficient to create about 4,200 acres of marshland and an additional 4,200 acres of land lying several feet above sea level.

Such development could have an economic value far exceeding any costs which may have to be incurred for acquisition of property, as well as improving the ecological regime in the delta. The value of marshland, estimated at $500 per acre in view of its potential to increase fish and wildlife habitats--and the value of reclaimed land, estimated at $1,000 per acre as pasturage alone, would provide an asset totaling more than six million dollars by the turn of the century.

Project Implementation

If the program of channel improvements recommended herein is adopted, the following measures should be taken:

1) Authorization should be sought for a long-range project to deepen the river channel to 55 feet.

2) Implement as soon as possible, the first stage of the project wherein a minimum 750-foot wide two-way channel would be deepened to 45 feet from the Gulf via Southwest Pass to Mile 172 AHP.

3) Shipping organizations should be encouraged to put into operation as soon as possible, topping-off facilities at the mouth of the river or in the Gulf in order to attract and establish patterns of trade in large ships. In addition, investigation should be encouraged of wide-beamed ships and vessel draft assistance systems that may prove to be viable.

4) Field investigations identified in the Corps of Engineers' 1981 Study and in this report for completing environmental evaluations for the projcct should be conducted--most importantly as to the levels of toxic wastes to be removed and measures for minimizing turbidity and other degradation of water quality during dredging operations--and for mitigating salinity intrusion impacting upon the four public water supply systems between the Head of Passes and Mile 60 AHP.

A key factor in implementing the project is the establishment of a method for financing the deepening and related maintenance of the channel. It appears that this can be most effectively accomplished through a national program whereby initial funding of project costs would be provided from the U.S. Treasurey with payback of the local share of costs over the life of the project.

A more routine aspect of implementing the program is the preparation of final designs, plans and specifications for conduct of the dredging work. The timing of engineering activity and subsequent construction would be contingent upon formulation of definitive national and state enabling legislation, and establishment of a specific program for financing of the project.

Once the project is carried out, commodity and vessel movements should be monitored periodically to evaluate the prospects for further improvement of the channel in the future and to establish the timing for such improvements within the framework of ultimately providing a 55-foot deep channel.

Project Organization

If the State of Louisiana elects to participate with the Federal Government in a program of channel or navigation improvements, it will be desirable to establish an agency for managing the State's activities in connection with the project. The principal functions of the agency would encompass management, financing, engineering, environmental planning and public relations. The specific organizational structure of the Agency would depend upon the extent of the State's involvement in the project. Fundamental to successful operation of the Agency is the assignment of a general manager experienced in the development and operation of major projects and key staff members qualified in the aforementioned functions. A limited staff of such key personnel and appropriate clerical assistants

would be effective if the State's role in the project is secondary to that of the Federal Government. In such a case, the Agency would be similar to the organization "overviewing" the State's interest in the LOOP project, and would be able to call upon other agencies of the State to furnish advice and assistance as may be required in specialized areas. If the State assumes a primary role, a large staff of personnel experienced in many disciplines--including economics, accounting, design and construction engineering, environmental controls, public relations, personnel and clerical administration--will be required to assist the General Manager.

DEEP RIVER STUDY

L.F. "JIFF" HINGLE
Chairman

September 19, 1983

Honorable James S. Abdnor
Chairman, Water Resources Subcommittee
Senate Committee on Environment and
Public Works
Room 623
Dirksen Office Building
Washington, D. C. 20510

Dear Senator Abdnor:

It is a pleasure to transmit a copy of the resolution adopted by the Governor's Task Force on Deep Draft Vessel Access to the Lower Mississippi River at its September 2, 1983 meeting with regard to deepening of the lower Mississippi. We have previously sent copies of our consultant's final report and technical appendices.

We respectfully request that these documents be entered into the record of any hearings held by your subcommittee on S. 865 and S. 970. We request also the opportunity to testify at such hearings.

It was a pleasure meeting you and your staff in New Orleans. I hope we have the opportunity to do it again soon.

Very truly yours,

Joseph G. Cocchiara
Executive Director

JGC/w

attachment

cc: Tom Skirbunt/w/attachment
Hal Brayman/w/attachment

Governor's Task Force on Deep Draft Vessel Access to the Lower Mississippi River
P.O. Box 44185 Baton Rouge, LA 70804 Telephone (504) 342-9066

RESOLUTION

of the

Governor's Task Force on Deep Draft Vessel

Access to the Lower Mississippi River

RESOLVED,

That the Governor's Task Force on Deep Draft Vessel Access to the Lower Mississippi River accepts and concurs in the findings of the "Final Report - Deep River Study" produced by Tippetts-Abbett-McCarthy-Stratton, Booz, Allen and Hamilton, and Pyburn and Odom, dated July 1983, and

That the Task Force adopts the following recommendations:

1. Federal authorization should be sought for a long range project to deepen the Mississippi River channel to a project depth of 55 feet to Mile 230 AHP.
2. Implementation should begin as soon as practicable, subject to the availability of sufficient federal and local funds, of the first stage of the project, whereby a minimum 750 foot wide, two-way channel would be provided to a project depth of 45 feet, from the Gulf of Mexico via Southwest Pass to Mile 182 above Head of Passes.
3. A system of waterway project funding should be established on the federal level which provides

for substantial federal financial participation in deep draft waterway projects. Initial funding of any local share of project costs, if required, should be from federal loans or loan guarantees, and, if user fees are imposed, they should be equitable and at a reasonable level and imposed only on users that benefit from the deep draft channel.

4. The private sector should be encouraged to put into operation as soon as practicable topping off facilities in the Gulf of Mexico to handle dry bulk cargo, subject to the requirements of Federal and State law, in order to attract and establish patterns of trade in large bulk carriers, and

That the Task Force recommends to Governor David C. Treen that he adopt the aforementioned recommendations as the position of the State of Louisiana, and that he transmit this position to the appropriate representatives of the U. S. Congress and the U. S. Army Corps of Engineers, and

That the Task Force recommends further that the State of Louisiana continue to monitor the development of federal legislation concerning waterway project authorization, appropriation, cost sharing and user charges, and the studies conducted by the U. S. Army Corps of Engineers concerning the deepening of the Mississippi River, in order to assure that State and local interests are represented, and

That the Chairman and Executive Director of the Task Force are directed to transmit the "Final Report - Deep River Study" and this resolution to Governor David C. Treen in fulfillment of the responsibilities of the Task Force under Executive Order No. 82-5 dated March 16, 1982.

Moved: Mr. Ayres

Seconded: Mr. Judge

Approved: Unanimously

Absent: Mr. Fitzmorris
Mr. Miller

Adopted at a meeting of the Task Force on September 2, 1983 in Baton Rouge, Louisiana.

A True Copy Joseph S. Cortinas Jr.

Date: September 2, 1983